

on the part of the government in going ahead with these things, and the people of Canada thought these measures were imminent. But now, with the failure of the dominion-provincial conference, the proposed increase in old age pensions and other social legislation are referred to by the minister in the past tense.

This country is not satisfied to let the government use the failure of the dominion-provincial conference as an excuse. There is almost a feeling that maybe they are glad they did not have to find the money to carry out these social services. I know, for example, that two of the provinces—my own province of Manitoba and Saskatchewan—in agreeing to the government's revised proposals as laid down in the minister's budget, have indicated, along with their acceptance of the proposals, their disappointment. I do not wonder they are disappointed. Look at my own province, for example. Under the proposals which were made last August for an additional expenditure throughout Canada by the federal government of \$733 million, the people of Manitoba, on the basis of what our population is in the country as a whole, would have benefited to the extent of approximately \$45 million. But under the proposal made by the minister the other night Manitoba's receipts will be only \$11.8 million, although the province will have to give up everything it was asked to give up last fall. That amount is more than the government of Manitoba is receiving at the present time from the same sources; it is a good deal for the government as far as balancing its budget is concerned, and the premier of Manitoba says, in his statement to-day, that they have come to the conclusion that such an agreement is better than no agreement at all. But for the people of Manitoba and of Saskatchewan there is the loss of these other things which were provided for in the proposals made to the dominion-provincial conference. It does seem to me that the least the government might do would be to make an offer along the lines of increased old age pensions, health insurance and these other matters to the provinces which are prepared to enter into these agreements. The idea of penalizing all the people of Canada, of depriving them of the things which they have looked forward to, because of the failure of that conference, somehow just does not go down with the people of this country.

The minister said the other night in the peroration of his speech as reported in *Hansard* at page 2925:

We Canadians can achieve great objectives if we can agree among ourselves upon those objectives and devote our energies to reaching them. That is clearly shown by what happened in the war.

[Mr. Knowles.]

The Canadian people believe that we are capable of producing an increased quantity of goods and services, on the basis of which we can raise our standard of living and give our people some real sense of security. But this government is giving no leadership in that direction.

I come back to this question of old age pensions. I think on that score alone the government of this country missed a tremendous opportunity to give our people some real sense of security, some definite feeling of hope and confidence about the future, and that its failure on that score is indeed lamentable.

I might say a good many other things critical of this budget if my time permitted, but I see it is fast going. So before I sit down I want to add that, with all the criticisms which the people of Canada are offering about this budget, it could have been worse. If anyone doubts that, all one has to do is to listen to the suggestions which have been made to the government by hon. members of the Progressive Conservative party.

Mr. MacNICOL: They would improve it.

Mr. KNOWLES: I do not doubt that my hon. friends think they would improve the situation from their point of view. But here are some of the things which have been suggested: higher interest rates, a reduction of corporation taxes, reduction or elimination of the excess profits tax. There has been a campaign for decontrol, which, no matter how you word it or how you try to dress it up, means in the long run imposing burdens upon the ordinary working people of this country, but assistance has been asked for gold mining.

Mr. GRAYDON: Would my hon. friend permit a question?

Mr. KNOWLES: Certainly.

Mr. GRAYDON: Is it not true that your party in Great Britain has abolished the excess profits tax?

An hon. MEMBER: Don't compare the Labour party in Great Britain with the C.C.F.

Mr. KNOWLES: The Labour party in Great Britain has already nationalized the Bank of England and a number of important industries.

Mr. HOMUTH: Oh, but have they taken off the excess profits tax?

Mr. KNOWLES: Yes, and are giving to the people of that country some real hope for the future—